

West Central Consortium

For Long-Term Support and Health Care Reform

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ASSEMBLY COMMITTEE ON AGING AND LONG TERM CARE

Testimony on Assembly Bill 764
by WCC Project Coordinator Melissa Gilbert
February 19, 2008

The West Central Consortium for Long-Term Support and Health Care Reform (WCC) formed two years ago in response to a request by the state Department of Health and Family Services for local partners to plan for the expansion and regionalization of the Family Care program. Since then, representatives from our partner counties – Buffalo, Clark, Jackson, La Crosse, Monroe, Pepin, Trempealeau and Vernon counties – as well as local long-term care consumers, providers and others have poured thousands of hours into exploring options for providing managed long-term care to Medicaid-eligible seniors and adults with physical or developmental disabilities.

Our group originally consisted of six counties but grew to eight (and attracted interest from three others) due in large part to a common vision for maintaining public oversight of publicly-funded long-term care services. This governance model provides reassurance to consumers, county board members and county staff alike who will be impacted by changes to the long-term care service delivery system. Consequently, the WCC formed the state's first long-term care district (a new public entity created by but operated independently of participating counties) in December to provide the Family Care benefit to eligible residents through operation of a Managed Care Organization (MCO).

The success of any organization hinges on the ability to attract and retain quality employees. In an MCO, this necessitates a ready pool of social workers and registered nurses to manage the care of individuals who will enroll in Family Care. The WCC District will rely heavily on the ability to attract experienced case managers from the existing La Crosse County Care Management Organization and other county-administered long-term support programs that the regional entity will replace. The ability to draw the most experienced staff will depend largely on a guarantee of immediate Wisconsin Retirement System (WRS) eligibility upon employment.

As a protection for county staff who transfer to a long-term care district, state law actually requires the district to adopt a resolution to participate in the WRS; however, the statutes also restrict entry into the program. Specifically, the governing board of a public entity must pass a resolution by November 15 in order to start participation the following year. Since the state budget, which included authorization for Family Care expansion and long-term care district creation, was not passed and signed into law until late October, passage of the WCC District's enabling resolution by each of the partner counties and subsequent appointment of a governing board could not take place in time to enable the Consortium to meet this deadline for 2008.

(more)

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The WCC District plans to become a direct employer of staff by October and hire close to 200 workers by the end of the year. In order to provide sufficient time to recruit additional staff as needed and plan for worker training, the District intends to initiate the hiring process several months prior to the start of enrollment in each county. WRS inclusion will be an especially important consideration for staff whose seniority would allow them to "bump" back into other county jobs – a concern in each of the participating counties.

The potential for mass bumping would create significant problems both for the MCO and for the counties since the MCO would need to invest more time and money into training less experienced workers and counties would need to invest more time and money into re-training workers for jobs previously held by staff with less seniority but more experience in performing those particular functions. Additionally, such a situation would prove disruptive to consumers, many of whom hope to maintain a continuous relationship with their current care managers.

Assembly Bill 764 would ease these concerns by providing a second window for WRS participation to long-term care districts. The substitute amendment would limit this opportunity to 2008, thus mitigating the impact on the Department of Employee Trust Funds. Without this legislation, the Consortium will need to explore two undesirable options – negotiate labor contracts and risk-sharing agreements with multiple counties or draw down our resources and frustrate the patience of our county boards and consumers awaiting services through delayed enrollment. > *

The West Central Consortium understands and supports the move toward multi-county service provision as a way to maximize state and local resources. At the same time, prolonged uncertainty over the timing and conditions of MCO implementation place a significant strain on numerous entities, including the county staff whom we hope to employ. Consequently, the WCC thanks Rep. Musser for introducing AB 764 and urges prompt passage in committee and on the Assembly floor.

February 19, 2008

Dear Representative Musser:

The Department of Employee Trust Funds had concerns about the administrative costs that would have been placed on the Department by 2007 Assembly Bill 764, however, the Department's concerns have been addressed by Assembly Substitute Amendment 1 to 2007 Assembly Bill 764. The Department does not have a position on Assembly Substitute Amendment 1 to 2007 Assembly Bill 764.

This bill, as amended, would allow long-term care districts to become a participating employer in the Wisconsin Retirement System (WRS) effective on July 1, 2008 if that long-term care district notifies the Department by May 15, 2008. Current law requires an employer to notify the Department by November 15 of a given year for an effective participation date of January 1.

The Department anticipates that the substitute amendment will apply to the West Central Long-Term Care District, which was not able to apply during the statutory enrollment period due to the late passage of the 2007-09 state budget (2007 Wisconsin Act 20). The Department will be able to absorb the limited cost to provide this option to the West Central Long-Term Care District.

Please feel free to share this information with the committee members.

Sincerely,

Matt Stohr

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February 19, 2008

RE: Assembly Bill 764

To the Honorable Members of Aging & Long Term Care

I wish to submit testimony in support of Assembly Bill 764. As one of the five pilot counties of Family Care beginning in February 2000, I have been a strong supporter of Family Care because I believe it is the best answer to meet the needs of the elderly and disabled into the future. I very much support the expansion of Family Care that is now occurring in the State of Wisconsin.

A problem has surfaced for those counties that are expanding Family Care under the Family Care District Model. Due to the timing of the State budget, those counties could not officially create a Family Care District until the Governor had signed the legislation. Since it is the wish of those counties to have the employees of the Family Care District eligible for Wisconsin Retirement System (WRS), an application needed to be made by November 15, 2007. However, that was not possible because the legislation did not become effective until November 15, 2007. Therefore, we are asking for a second opportunity to petition for eligibility for those employees under Wisconsin Retirement System. AB764 addresses that problem. As I understand it, AB764 specifically applies to the Family Care expansion and will not create other problems with WRS eligibility. I believe the legislation will prevent unintended consequences.

Since the Governor and the Legislator have supported the expansion of Family Care as the policy of the State of Wisconsin, I believe that we need to do what is necessary to insure that those counties that are moving forward with expansion will be able to do so without these types of administrative problems. Family Care is too important to the citizens of Wisconsin.

In closing, I want to thank you for taking your time reviewing this testimony and for the job that you do serving the citizens of this state.

Respectfully submitted,

Allen J. Buechel
County Executive

